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REMARKS

OF

MR. BOYCE, OF GREENVILLE,

IN THE

HOUSE OF REPRESENTATIVES

OF

SOUTH CAROLINA,

ON THE 9TH DECEMBER, 1862.

THE BILL FOR STATE ENDORSEMENT OF CONFEDERATE BONDS
BEING THE SPECIAL ORDER FOR ONE O'CLOCK, P. M.

COLUMBIA, S. C.:

R. W. GIBBES, PRINTER TO THE SENATE.

1862.



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SPECIAL ORDER FOR 12½ o'clock, P. M., DECEMBER 9.

THE COMMITTEE OF WAYS AND MEANS

To which was referred, the resolution to inquire into the expediency of offering the Confederate Government to guarantee its bonds for the proportionate share of the State of South Carolina, according to the basis of the late war tax, to the amount of one hundred millions of dollars, beg leave respectfully to report unanimously :

That they have had the same under consideration, and agree in the principle of the resolution, but propose that the amount be changed from one hundred to two hundred millions of dollars.

The large and increasing circulation of Confederate Treasury Notes demands a remedy. The amount already in circulation is much greater than even in time of peace is necessary for our internal and foreign commerce. In the present state of affairs, a smaller amount is needed than is then. The consequence is, that our citizens and Government have to give prices so greatly enhanced as to be matter of great detriment to the public. Our individual citizens are already suffering greatly ; and the Government not only suffers with them now, but lies under the further liability of having to give its obligations at the current prices in securities which must finally be redeemed in gold and silver.

Attempts have been made by the Confederate Government to reduce this circulation, by funding portions of it in Confederate bonds. The extent, however, to which these have been taken has, from various reasons, been very limited. A portion of the hundred million loan yet remains to be issued. This arises not from the want of ability to take it up on the part of our citizens, as is readily seen from the large surplus of circulation above referred to. More than this, other securities, and especially those of the States, paying a lower rate of interest, are extensively sought after, and are bringing high premiums. The object of this endorsement would be, so far as the State of South Carolina is concerned, to give the Government all the advantages to be obtained by uniting State security to that offered by the General Government. It is hoped that the other States of the Confederacy will unite with us in so doing ; but it is eminently proper that South Carolina should take the lead in this kind of expression of full confidence in the final success of our Government. Yet is it proper in so doing that

she should secure for herself and her citizens the right to obtain the bonds thus endorsed, *provided* the bids they make are equal to those of any others. In order to secure the largest price, also, and to give the whole country a fair opportunity to invest in these securities, they should be offered by public advertisements to the highest bidder, in such portions and at such times as the Confederate Government may deem best.

A further reason which has governed the Committee is, that the General Government is constantly in need of foreign exchange. At present, this must be bought at two hundred per cent. premium, or three hundred dollars must be given in this country for one hundred dollars in England. If our Government should offer bonds abroad, they would be met by the declaration that, from the very nature of our Government, it is liable to be broken up by the action of the States, in like manner as has been done in the separation from the United States of the States now forming this confederation. Not only this, our Government is, by persons abroad, still looked upon as an experiment, which may prove a failure. But the States are regarded as permanent, and their existence under all circumstances, considered as certain. An obligation, therefore, given by a State, either directly or indirectly, possesses abroad an actual value. It is manifest that sales of Confederate Bonds, made with State endorsements, will, therefore, not only be possible, but may be made at prices that will secure exchange on terms far more advantageous to the Government than the present or probable future rate of exchange will make possible; and a portion of the bonds thus endorsed could be profitably used in this way. It is upon these grounds that the Committee approve the principle of the resolutions. They have, however, owing to the large amount of surplus circulation to be absorbed, as well as the future demands of the Government, thought best to recommend a larger sum than was stated in the resolutions. The sale of one hundred millions of dollars would not be adequate to retire more than two hundred millions of Treasury Notes, and would leave two hundred and thirty millions still in circulation. Thirty millions of dollars, with the issues constantly making by the Government, and the bills of our banks still in circulation, would be abundant for the necessities of trade. This would be accomplished if, with the two hundred millions of endorsed bonds, four hundred millions of currency could be absorbed, and this is extremely probable.

The Committee beg leave to report by Bill.

JAMES P. BOYCE, *for the Committee.*

A BILL

To authorize the State to guarantee the Bonds of the Confederate States.

SEC. 1. *Be it enacted by the Senate and House of Representatives, now met and sitting in General Assembly, and by the authority of the same,* That the Governor of the State for the time being be, and he is hereby, authorized and directed to endorse the guarantee of the State upon the bonds of the Confederate States of America, upon the application of the Government of the said Confederate States, to an amount equal to the proportionate share of the State of South Carolina, of the sum of two hundred millions of dollars, in the ratio of the representation of said State in the House of Representatives of the Confederate Congress, thereby pledging the faith and the funds of the State for the payment of the principal of the said bonds, and the interest to accrue thereon : *Provided*, That such of the bonds as shall be sold within the Confederate States, shall be disposed of to the highest bidder : *And provided, further*, That in the sale, whether in this country or abroad, of these bonds, this State and the citizens thereof, shall have the right to purchase the bonds under its guarantee in preference to all purchasers at equal bids.

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In the House of Representatives of the State of South Carolina, Tuesday, December 9th, 1862, the preceding report and Bill being under consideration, Mr. James P. Boyce, of Greenville, spoke in substance as follows:

MR. SPEAKER: At the time I introduced the resolution which has secured this favorable report from the Committee of Ways and Means, I was not aware that any suggestions of the kind had been made. I confess that during several months the plan had appeared, to my mind, so advantageous, that I was surprised that it had not been proposed. Before the Committee however had acted upon the matter, the honorable Chairman of the Committee of Privileges and Elections (Mr. Trenholm) showed me a letter from one of the most distinguished financiers of this country, suggesting the importance of such a scheme, and urging him to bring it to the attention of this Legislature. The morning after this report and Bill was presented to this House, the resolutions of the State of Alabama, to which I shall hereafter refer, appeared in the Guardian of this city. And a paragraph in the Charleston Courier of yesterday, copied from the Richmond Whig, informs us that at as early a period as the 16th of May last, the subject of a guarantee of the Confederate debt, by the different States, was suggested to Congress by the State of Virginia, accompanied by the request that it be brought before the attention of the other States. The facts thus referred, joined with the unanimous approval of a Committee of the House, have emboldened me to task your attention for a short time, that I may urge upon this House a measure which I deem of the most vital interest to the whole Government and people.

The superficial observer looks upon our present national struggle simply in the light of its military achievements. The abilities of our generals, the bravery of our troops, the successful issue of our battles, these are to such an one the great objects of interest, and by them he measures the fate of the Republic. That these do enter, and that largely, into the issue, none can question; without the men whom God has given as leaders, and without the troops, such as have never been excelled for bravery or daring, more than all, without that success which, under the blessing of God, we have achieved, we might well despair, nay, we had been already ruined.

But there is another power which, though almost unperceived, affects more deeply the issues of the contest—the power of the purse—a power in modern times that far exceeds that of the sword, and, in fact, controls the world. It has long been recognized in Europe, the crowned heads of which are completely dependent upon it. At its beck war is made and peace is de-

clared. In this hemisphere, in the present war, its gigantic influence has been felt. Were it not for the aid obtained from Wall street and the other financial circles of the United States, the President of that Government could not continue a single day this unnatural warfare; on the other hand, had not the action of the banks of this Confederacy been as patriotic and self-sacrificing as it has, we were already ruined—flying before our ruthless foe—unable to sustain ourselves at all against the vast hosts which have been raised up against us. They who wield the finances in each section have, in truth, in their grasp the welfare of both, and we have reason not only to be proud of, but to be grateful to, the banks of this country for the unlimited confidence which they have manifested towards our Government, and the determination they have shown to sustain it at all hazards, even at the risk of their own financial destruction.

It is because the welfare of the country is thus so indissolubly united with its financial prosperity, that I regard the measure before us as one of the greatest importance. It is in vain to attempt to raise armies if, when called into the field, they can neither be paid, supported, clothed, fed or armed. To do these things requires immense resources. With prosperous finances, we can fight on amid the heaviest losses and reverses. With our finances in ruin, our armies become demoralized, our sources of supply are cut off, and the advancing tread of the invader is triumphant. How important, then, that they be looked after, and if evils arise, that the cause of those evils, and their proper remedy, be sought.

The time has come, Mr. Speaker, when it behooves us to look well to this matter. The present condition of our finances is fearful, and were it not for the remedy which we have, would be actually appalling. The amount of our expenditures has already reached five hundred millions of dollars. Do gentlemen realize this? Do they know what it means? Have we ever attempted to get any other conception of it, than that it is a vast sum of money, beyond the ordinary measure of calculation? Let us try to realize what it is. According to the late War Tax returns, the whole value of South Carolina, lands, negroes, money at interest, and the various other items included under that scheme, was a little less than four hundred millions of dollars. And the Confederacy has spent five hundred millions of dollars in the prosecution of the war thus far. It is as though the whole State of South Carolina had been blotted from the resources of this Confederacy. Nor can we fully estimate what the war has actually cost our people, until an accurate account be taken, as well of the vast amount of voluntary contributions for hospital purposes, raised by the energies mostly of the noble women of the land, as of the munificent expenditures of individual citizens and corporations in raising and equipping regiments for the field.

Yet large as have been our expenditures, they are daily on the increase. Our armies are larger, articles of food, clothing and ammunition are at enhanced prices, while the scarcity of many articles on the one hand, and a redundant currency on the other, are increasing our indebtedness in a ratio two-fold, if not three-fold, greater than the past.

Nor, sir, so long as this war continues will the people consent that they be reduced at the risk of hazard from the enemy, and, perhaps, final loss. If, however, some way may be devised by which this scarcity of necessities and redundancy of currency can be remedied while the war is prosecuted with unabated vigor, the hearts of all will be cheered and the spirit of determined resistance rendered, if it be possible, more intense.

So much, Mr. Speaker, for the amount of our expenditures. Let us now look at another evil connected with the currency, its great and rapid depreciation. According to the market quotations, gold is now selling at Richmond at a premium of two hundred and twenty-five per cent., or three hundred and twenty-five dollars of the Confederate bills must be given for one hundred dollars of gold. Specie is the standard of value, and judged by that standard, Confederate notes are now worth but a little over thirty cents on the dollar. Is it to be wondered at that prices are so high? The one who sells is obliged to get more than three times what an article is worth in hard money to secure its value in that money. But there is another currency which may be compared with that of the Government. I refer to the bills of the banks. They are not redeemable in specie, and yet sell for a premium in Confederate Treasury notes. I take the following quotations of premiums from the Richmond Dispatch of December 5:

	Buying price of the Brokers.	Selling price.
Bank notes—Virginia.....	22½	25 to 30
North Carolina....	20	do. do.
South Carolina...	23	do. do.
Georgia.....	23	do. do.

Nay, sir, I am informed by a most respectable broker of this city, that bank notes have sold here at a premium of 30 per cent., and that in Alabama and States further West, they will command 40 to 50 per cent. When, sir, shall this end? The banks of the Confederacy are linked to the fate of the Government—with it they are destroyed, with it they live. Nor can any satisfactory explanation be given, save the unlawful uses of those notes for purposes of trade with our enemies, and their scarcity, arising from the hoarding of them by parties from more or less apprehensions of final failure. Either of these motives is disgraceful to the true patriot, and deserves the most serious reprobation of every lover of his country. Yet with all this, the fact of this depreciation must be noticed as a fearful evidence of the want of proper value on the part of the Confederate Treasury

notes. In another manner, very similar to that with gold, may the depreciation of this currency be recognized. Foreign exchange, commonly sterling, has generally rated at a small advance beyond gold. At present it commands about the same premium. The last sales of which I have heard were at one hundred and ninety-five per cent., or two hundred and ninety-five dollars for one hundred. Doubtless, however, it has risen since then, for it has lately been rising rapidly. Indeed, the price of gold at Richmond fixes the fact that sterling must be at a premium of two hundred and twenty-five per cent.

The rapidity of this depreciation is also worthy of attention. In September, 1861, several months after the war had commenced, some time indeed after the battle of Manassas, the current bills of the country were, in a sense, equivalent to specie. Though the banks had suspended specie payments, they were yet furnishing their customers, as a matter of favor, with specie in small quantities at par. But the depreciation began; before Christmas, specie was worth about twenty per cent. premium; before April, 1862, it was at fifty per cent.; and thus has it gone on until it has reached its present rate. In September of this year, sterling exchange sold at a premium of simply one hundred and ten per cent.; since then it has risen at least ninety more, if not one hundred and fifteen. The depreciation in this respect is alarming; unless some arrangements can be made for such exchange, it will soon be at five hundred, nay, who can tell that it may not yet reach five thousand.

The depreciated currency thus referred to is an evil to all parties. It is true that those who are mere producers get a larger price for all articles, but that price is paid in a depreciated currency and the increase of price subjects its recipients to the murmurs of the consumer, and the charge of extortion. On the other hand, the consumer who does not produce, finds the money which was formerly perhaps an ample support, now insufficient, even with the most rigid and pinching economy. He has to receive all dividends, interest and income of any kind in a kind of money worth only one-third of what he should have received, whether estimated by gold or by the articles of consumption it will buy. If he be one whose whole income has been stopped by the war, and he has to borrow money now to be hereafter paid, he is placed in the deplorable condition of one who obtains from a money lender a loan to be repaid in good funds, but which he has himself to receive in paper which he will do well to dispose of at one-third of its face. That which is peculiarly unfortunate for the Government is that it is in this latter category. It is giving its notes payable at a future day in gold and silver, and receives for them articles only at the rates produced by this depreciation.

Let us look next to the causes of this depreciation. The first and most

manifest one is that the Government issues are not redeemable in gold and silver. This is self-evident, yet it is worthy of notice because it helps us to arrive at the remedy. It is the cause that is at the foundation of the whole matter. The nearer the issues of the Government are put on a specie basis the less will be the depreciation, and the lower will be the prices of all commodities. But we must not deceive ourselves by supposing that this is the only cause; were there full confidence in the Government there would be no need of a constant interchange of gold and bills for each other. But here is a real difficulty, and there is no use in denying it; there is a want of that full confidence of success, which should universally prevail. There is not felt as should be the determination to sink or swim with the good ship of State. Men are not keeping or buying gold to use it, but to hoard it. The hope of each one is that if wreck should come he will be able to save something at least of the property he formerly had. This same idea prevails as to bank notes; they are at least, so these persons think, safer than some other currency. The time will come, say these timid gentlemen, when no other bills will be taken but bank notes, and hence we are putting up a few for the use of our families. Away with the unfounded doubt—success must be ours or we must be exterminated in the struggle. If my country dies I want no more life, no more happiness, least of all would I save from the wreck the small pittance that may thus be concealed from the grasping hand of Northern despotism. Only thus can the true patriot feel; yet we must realize the fear that I have referred to, and if possible, take advantage of it for the benefit of our country.

A third cause of depreciation is the redundancy of the currency. This has arisen from the necessity the Government is under of issuing Treasury notes for its civil and war expenses, and the impossibility of retiring these through their funded debt. All efforts thus to remedy the redundancy of the currency have resulted in at least partial failure. The cause of this failure is undoubtedly due to want of confidence in the Government. This is evident from the fact that State securities and individual bonds are greatly in demand. While the Confederate Government sells but slowly at par, bonds which bear eight per cent. interest, the bonds of States, private parties, corporations and cities, at lower rates of interest, are sought after. The lack of confidence I speak of is one engendered on the one hand by the nature of the Government, and on the other by the supposed questionable issue of the present war. It is felt at home to some extent, but especially abroad. Europeans have seen one great Union destroyed, and they know not when the new one will also break into fragments. They understand not the homogeneous character of our people—and the dependence on each other which is felt—nor do they realize as they should that the history of the past has been a lesson to the States of this Confederacy, and that mutual respect for

the rights of each other will not only mark a people trained to sentiments of honor, but that mutual interest will also create mutual forbearance. But the redundancy of the currency is not simply due to want of confidence, but to the excessive issues forced by this state of affairs upon the Government. Before the war the circulation of the country for business purposes was about eighty millions of dollars. The issues of the Government thus far have been,

Treasury Notes	\$250,000,000
Interest-bearing Notes.....	80,000,000
Call Loan, at any time convertible into Treasury Notes.. ..	60,000,000
<hr/>	
Total circulation.....	\$390,000,000

Making in all three hundred and ninety millions of dollars which is circulated. The funded debt gives us seventy-four millions additional, but is not current funds. According to the estimate of some we had less, according to others more, circulation in time of war than in time of peace. Taking eighty millions as the circulation before the war, we have no need for more than one hundred millions at the utmost—some say thirty millions would do, with the additional circulation of the outstanding bank bills; perhaps it would be enough.

Another cause of depreciation arises from the fear of repudiation. The example supposed to have been set us by our revolutionary ancestors has had its weight. It should have been remembered, however, that Continental bills, not bonds, were their issues, and that the effort should be, therefore, to tend to depreciate the bills, but not the bonds of this Government. But I am glad to be able to say that even in those days there was not an entire repudiation. The course pursued was to adopt a scale showing the value of these bills in gold and silver in the various years of the war, thus showing what the Government received in actual value for them. For the earlier years the payment was at par or very nearly so. It was only in the later years that heavy discounts were charged. Nor was it until the lapse of many years and the repeated calls of the Government had rendered it almost certain that the notes had mostly been paid up, that the Government, after due notice, passed the acts stopping further payments upon them. The Government of these States will not, they cannot go so far, on the contrary dollar for dollar will be paid, at least upon the issues already made. Unfortunately, however, all do not feel this measure of just faith in the integrity of the Government—and hence the sad depreciation of its issues.

From this view of the evils it will readily be perceived what kind of remedy must be secured. It must be one which will relieve the redundancy of the currency, and, therefore, must be a funded debt. Again, it must be

such a funded debt that the Government shall be able, at a high premium, to retire its circulation. And yet further provision must be made, which will furnish us foreign exchange at cheaper rates than are now current.

Such, Mr. Speaker, is the remedy proposed in the Bill. It is that a funded debt should be created of this hundred millions of dollars—that it shall combine the credit of the Government and that of the individual States—and that it shall be sold at home or abroad to the highest bidders. In this way provision is made for such sales of new Government issues as shall command high premiums at home as well as for the creation of foreign exchange.

The whole scheme rests upon the simple fact that the securities of the States are highly valued both in our own country and in Europe. A State endorsement even on the bonds of some petty railroad is enough to make them sell at a high premium. I have been furnished with the following as the present rates of State securities; some of them, as the Tennessee 6's, are really in a condition of half repudiation—that State having refused to pay the interest upon that portion of her bonds held in the United States unless some equitable arrangement shall be made between the Governments in the treaty of peace.

Tennessee 6's, (suspended).....	115
Louisiana “ probably about.....	125
Virginia “	125
North Carolina 6's, (old).....	135
“ “ 8's, (new).....	120
South Carolina 6's.....	125
“ “ 7's	120
Georgia 6's	135
“ 7's	140

We have in this table most signally exhibited to us the high state of credit of the different States. While this is so, however, it is notorious that the Confederate eight per cent. bonds are as it were begging for purchasers at par; yet that if security be added to them, however slightly, they are materially improved, is seen in the fact that the fifteen million loan, because there is pledged for it one-eighth of a cent per pound upon all cotton exported, is now selling at 110. It has been thought by some that this is because the Government pays interest on this loan in specie. It is a mistake. Its coupons are paid like all others, only in current funds. And yet here is a security valueless indeed unless the war shall result advantageously, which at once raises the price of the bonds ten per cent. Let the combination be made of State and Confederate securities, and you have bonds which cannot be bettered in this country. They must bring very high premiums; and the issue now proposed of them will not only relieve the

country of redundant currency, but will enable the Government in a way perfectly honorable to pay its debts at a heavy discount, and to secure ample resources both at home and abroad for its present exigencies. The following table will show the rate at which four hundred and sixty millions of currency may be brought down to the amount really necessary for trade. Circulation will be reduced to a material extent if the bonds are sold at the rates suggested :

\$200,000,000	at 120	will retire	\$240,000,000,	and leave	\$220,000,000
200,000,000	" 140	" "	280,000,000	" "	180,000,000
200,000,000	" 150	" "	300,000,000	" "	160,000,000
200,000,000	" 175	" "	350,000,000	" "	110,000,000
200,000,000	" 200	" "	400,000,000	" "	60,000,000

Again, selling at the rates above suggested, how cheaply do we pay off our debt, and that without dishonor, but as a mere matter of business exchange.

At 120 per cent.	we pay at	83	1-3	cents in the dollar.
" 140	" "	"	"	" 71 7-10 " " "
" 150	" "	"	"	" 66 2-3 " " "
" 175	" "	"	"	" 57 1-7 " " "
" 200	" "	"	"	" 50 " " "

Again : In the production of foreign exchange by these bonds, we will be greatly benefited. One hundred pounds sterling now cost three hundred pounds in this country. It may soon be worth five hundred pounds. If no remedy be applied to the advance on it, who can say that in the course even of twelve months, it may not command five thousand pounds. Estimating sterling as costing us three hundred, we can afford to take for our bonds sold in England, thirty-three and one third cents in the dollar ; at five hundred, we can take twenty-five cents. We are assured however, that they will bring more. Five per cent. Railroad bonds, endorsed by this State, have sold in England at fifty cents in the dollar. At this rate six or seven per cents of the Confederacy, endorsed by the State, should bring at least seventy-five ; nay, I believe that with an active and efficient agent there to dispose of these bonds, they would bring par ; especially if some means be taken to pay the interest there promptly. Taking the current rates of exchange fifty cents on the dollar, these will be worth one dollar and a half here ; seventy-five cents, two dollars and a quarter ; and par, three hundred. In other words, if we can get par for our bonds abroad, we can make all our purchases there in our bonds as though they were gold and silver. Those purchases abroad are very heavy ; what with navy vessels, arms, ammunition, clothing, medicines, and stores of various kinds, several millions are demanded. And here let me say, incidentally, is a

reason why this State should guarantee, if no other does. She alone can from her quota furnish the Government an issue of bonds by which this sterling exchange may be created.

The remedy thus suggested commends itself as practicable. It is easy to try it. If we find that these bonds cannot thus be disposed of, nothing has been lost. But we presume from what has been said, that this difficulty will not meet us. The bonds will be sought after; and the Confederate Government having this issue of bonds in their hands, may say to the capitalists of this country—"We know the value of these securities, and will not sell them below fifty per cent. premium." If the demand for bids be made, accompanied by the announcement that no bid will be considered under that rate, the whole issue will be taken at it; more than this, so eager will be the desire to obtain these securities, that higher bids will be proposed; and I would not be surprised if the bonds should realize two dollars for one.

It is a scheme in which all the States will join us. There may be hesitation for a brief period on the part of some, but it will only continue until the advantages of the scheme are realized. By it they are committed no farther than they have been already. Is not each one as truly bound in equity for her proportion of the debt, as if she had by act assumed it? Has it not been incurred by the General Agent on behalf of all? and can any fail to be dishonored unless the debt be paid, or at least unless that State shall have arranged for her proportion?

It is a remedy which will certainly reduce the prices of all articles for sale. Those imported from abroad will cost less, because the parties importing can send out these bonds for payment instead of running the risks of the blockade with cotton. Any amount, too, can be sent; for we will not here have, as is the case with cotton, to complain of the want of vessels. A single vessel could carry the whole issue in a corner of its cabin. Purchases would thus be made with a single risk—that of the return cargo. Enterprising men in all directions would increase the number of those bringing such articles from abroad. Thus, not only could the goods be brought more cheaply, but the supply would be nearer equal to the demand, and articles imported would bring a value no greater than the risks run would actually deserve.

At home, the redundant currency would be drawn in; depreciation would be but slight; Confederate money would be nearly equal to gold and silver; and almost all articles would sell then for what they would sell now in specie.

If these things be true, this remedy will also enable the Government to prosecute the war with greater vigor. Its supplies will be cheap; its command of money will be unlimited; everything necessary for success will be

attainable; and with contented and buoyant hearts, the people will sustain it.

Before taking my seat, Mr. Speaker, I desire to call the attention of the House to the resolutions on this subject, which are said by the papers to have lately passed both Houses of the Legislature of Alabama. I will read the resolutions, and then proceed to compare them with the Bill before us.

JOINT RESOLUTIONS IN RELATION TO THE WAR DEBT OF THE CONFEDERATE STATES.

Whereas, the Government of the Confederate States is involved in a war for the independence of each of the States of the Confederacy, as well as for its own existence; and whereas, the destiny of each State of the Confederacy is indissolubly connected with that of the Confederate Government; and whereas, the Confederate Government cannot successfully prosecute the war to a speedy and honorable peace, without ample means of credit; Be it therefore

Resolved by the Senate and House of Representatives of the State of Alabama, in General Assembly convened, That in the opinion of this General Assembly, it is the duty of each State of the Confederacy, for the purpose of sustaining the credit of the Confederate Government, to guarantee the debt of that Government in proportion to its representation in the Congress of that Government.

Resolved further, That the State of Alabama hereby proposes to our sister States of the Confederacy, to guarantee said debt on said basis—provided that each of said States shall accept the proposition and adopt suitable legislation to carry it into effect, in which event these resolutions shall stand as the guaranty of this State for the aforesaid proportion of the debt of said Confederate Government.

Resolved further, That his Excellency the Governor be, and he is hereby, requested to transmit a copy of these resolutions to the Governor of each State of the Confederacy, and to the President of the Confederate States.

There are three points of difference between these resolutions and the Bill originally presented to this House.

In the first place the Alabama resolutions cover the whole debt of the Confederate States. The bill before us proposes simply a guarantee upon bonds to a certain amount, and is intended to apply to a future issue, and not at all to a past one. That the States are actually under obligations to pay the whole debt or to see that it is paid, is, I think, unquestionable. And when the proper time shall come for such equitable action, I hope, sir, that South Carolina will not be found wanting. But the present exigencies do not require such action. We are called on simply to reduce our circulation,

to appreciate our currency, and to secure to the Government funds abroad for purchasing its supplies. It is on this account that I advocate this measure, not for the purpose of making more secure those whom I regard as already having security enough. What I am at, sir, is to relieve the Government; and to do so not by making its past indebtedness secure to those who hold it, but by enabling it at advantageous rates to take up its past indebtedness. If this be done, even the persons holding the former issues of bonds will be benefitted. At any rate we do them no injury—we deprive them of nothing that they have already. So far from this, we are arranging for such a relief of the currency as will appreciate all Confederate securities, and make their bonds and stock worth nearly, if not fully as much as gold and silver. For, if the redundant currency is taken up, then all bonds, stocks and other securities other than Confederate must be relatively reduced, and the latter must advance.

But, sir, though this be not so, and though we be only making provision for future emergencies, I trust the spirit of South Carolina will not be misunderstood. She holds herself bound in equity for her full share of all obligations incurred by the present struggle. It matters not how they have been misused nor to what extent. Her people will never be satisfied unless every dollar is honestly and justly paid let it cost what it may. Let us have to part with all our lands, with all our negroes—let us have to break up all the associations of the past, and go forth as wanderers from the fair soil that we love. Nay, more than this, if it is necessary, let us bear to be sold ourselves, our wives, our children, into perpetual servitude, as were the Egyptians to the Pharaoh whom Joseph knew. Welcome, thrice welcome the servitude before we fail to pay every dollar that we justly owe. I understand not the idea of repudiation—I would rather be a slave with honor, than a freeman with such dishonor.

A second difference between our Bill as originally presented and the Alabama plan, is in the manner in which the ratio of obligation was to be incurred. We have changed ours to conform to theirs, which is the more simple, and yet amounts to the same thing. The Bill as printed, proposed that the guarantee should be given in the ratio of “direct taxes determined by the return made under the Act of Congress, entitled ‘An Act to authorize the issue of Treasury Notes, and to provide a War Tax for their redemption, approved the nineteenth day of August, in the year of our Lord eighteen hundred and sixty-one.’” The Bill, as amended before you, in accordance with the Alabama plan, makes it in the ratio of “the representation of said State in the House of Representatives of the Confederate Congress.” The ratio is about the same. According to the Constitution, representation and direct taxation are both apportioned according to the population of the States; and although direct taxation is according to the

decisions of the Supreme Court, a tax upon only land and negroes, and the War Tax included other articles, yet, so equitably was that tax laid, that the difference between a calculation based upon the War Tax and one on representation, is very slight. Besides, as I have already said; this is much more simple. It might take weeks to find out precisely the War Tax of each State, especially if the numerous errors are to be corrected; and then it could not be satisfactorily ascertained. A moment's calculation on this other plan fixes, without doubt, what part of these two hundred millions South Carolina will have to pay. The representation in Congress from all the States, is one hundred and eight members, of which South Carolina has six, or one-eighteenth of the whole; the proportion, therefore, of this guarantee, will be eleven millions one hundred and eleven thousand one hundred and eleven dollars and eleven cents (\$11,111,111 11).

A third difference between these plans is, that the resolutions of Alabama put the guarantee based upon the condition that all the other States shall unite with her in her action, while this Bill makes no such condition. The condition, if insisted upon by all the States that may guarantee, would only lead to failure. Missouri and Kentucky are represented in the Confederate Congress; yet, while their State Governments are in the condition they are, it would be impossible for them to give a guarantee which would be of any value. Louisiana is, to a very considerable extent, overrun by the enemy; perhaps it might be impossible there. Besides, let it be supposed that only two or three States shall join at first; the beneficial results flowing from the sale of their bonds could be used as a strong argument with the others. And no State with any sentiments of honor, could, under such circumstances, refuse to do her just part.

But suppose no other State joins us. Suppose that Alabama has not passed these resolutions. I trust she has not, sir. I have earnestly coveted for South Carolina the lead in this movement. And I hope she may yet be in the van. Let her go ahead in this matter alone, yes sir, alone, though no other State follow. Two years have not elapsed since this State went forth alone in an important enterprise. Guided by her statesmen, with assurances that there was no danger, that no war could ensue, she waited not for the company of others, but took the lead. The result of her action has been the formation of this Confederacy; and for that action, whether deservedly or not it becomes her citizens not to say, she has been awarded a meed of praise for sagacious and long sighted statesmanship. The time has now come when a leader is wanted and when the perils are seen. The power of the enemy has been felt; we are engaged in no child's play. The array of battle is not merely the pomp and pageantry of war, but its sad reality. Shall she shrink because the dangers are realized, because she sees that she has awakened a fearful conflict with a powerful and wealthy adversary. No, sir, her

sons have gone forth gladly to the combat. There has been no faltering there, nor should there be any here. Let her fling proud defiance to the foe. Let her show that she is ready to be crushed rather than conquered. And let this body, by their action this day, show that she is ready not simply to pledge the lives of her citizens, but their fortunes and their sacred honor.

A word more and I have done: The Bill contains two provisions to which I ask a moment's attention. One is, that the bonds be sold to the highest bidder. This is manifestly important to secure to us as valuable a consideration for them as possible. The other is, that the State or its citizens shall, at the same bid, have the preference over any other parties upon the bonds of South Carolina. When equal bids are made, some adjustment of the claims of the bidders must be made; either the amount must be divided, or a choice be made between them. This proviso simply says that in that event the State of South Carolina, or any one of its citizens, shall have the preference. If any other State, or any of its citizens, will give a hundredth part of a cent more on the dollar for our bonds than we will, they shall be theirs. This is manifestly just and equitable.

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